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ABSTRACT

This publication provides secondary business teachers with strategies and lists resources for involving students in activities that will develop a better understanding of the American free enterprise system. The activities are organized under 14 basic economic concepts selected because they will enable students to learn the relationship between economic affairs and their personal lives and why and how businesses are organized and operated to produce the goods and services that our society needs and wants. The concepts are resource scarcity, human resources, opportunity cost/trade-offs, problem solving and decision making, natural resources, effective use of credit, competition, the role of profit, the role of finance, business cycles, technological growth and development, social responsibility, the role of government, and international trade. Students are involved in many activities. They view and discuss films, play games, and do library research on current statistical information on the total working force in the United States. Other examples of activities are having students write a paper on how they feel about the work ethic, listen to guest speakers from an employment agency and debate the statement "technology is the answer to economic problems." Also included in the publication is a glossary and an annotated listing of print and nonprint materials.

(Author/RM)

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TEACHING THE FREE ENTERPRISE SYSTEM IN BUSINESS EDUCATION COURSES

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FOREWORD

Understanding the free enterprise system, how it functions, and how each individual fits into it as a consumer, producer, and citizen is essential to every Texas student because every Texas student is a participant in the system.

The need for students to understand our economic system was expressed by the Sixty-third Texas Legislature, in 1973, with the passage of House Bill 1118. This bill calls for all public high schools to provide instruction on the essentials and benefits of the free enterprise system. Accordingly, accreditation standards* were amended to require school districts to offer an elective course on the free enterprise system. In 1975, the Texas Education Agency provided all high schools with *Fundamentals of the Free Enterprise System: Course Guide*, Texas Education Agency Publication BU5 842 01, for teaching the course.

Because business education is economic in nature with some content areas directly related to the free enterprise system, this publication, *Teaching the Free Enterprise System in Business Education Courses*, has been developed. It is designed to illustrate how basic economic concepts of the free enterprise system can be emphasized in business courses.

Alton Bowen
Commissioner of Education

* *Principles, Standards, and Procedures for Accreditation of School District*, Texas Education Agency Publication AD7 825 01.

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Introduction

Most people face economic decisions each day. Adults and many young people decide what and when to buy, whether to save, when to borrow money, how long to remain with a job, who to vote for to represent them on all levels of government. Each decision, whether good or bad, affects to some extent our whole economy as well as the individual making the decision.

Economics, then, might be simply defined as the study of people living and working together to provide for their needs and wants. Therefore, the need for economic literacy is common to all individuals. Ideally, economic education is a continuous process, begun in the home in the early years of a child, included in the total school program from kindergarten through high school, and continued even further.

The purpose of economic education is to help individuals develop an ability to understand and make reasoned judgments about economic questions. To be able to make reasoned judgments, individuals must be able to read with understanding, to watch and to listen carefully to those radio and television programs that may affect decisions, and to observe critically those political issues that deal with economic problems.* This ability requires a variety of knowledge and skills; therefore, no one subject area should bear the full responsibility for development of those skills and knowledge. Rather, the basic concepts of economic understanding should be developed wherever applicable in *all* subject areas, but particularly in business education courses.

Business education by its very nature is economic. It has a dual role: one is that of education *for* business which prepares individuals for economic employment for earning incomes that are used to purchase needs and wants. The other role is education *about* business. This general education objective provides two approaches for developing basic business economic concepts: (1) personal business decision-making, and (2) understanding of how businesses are organized and operated to produce and distribute goods and services.

*A Framework for Teaching Economics: Basic Concepts, Joint Council on Economic Education, 1977.

Use of This Publication

Charts on pages 7-35 provide business teachers with suggested strategies for involving students in activities that will develop a better understanding of the American free enterprise system.

No attempt should be made to teach answers to economic problems, since that would imply an intrusion into politics and values. Instead, students should be taught how to make decisions and should be directed toward developing knowledge that will lead them to a reasonable understanding of the institutions of capitalism, such as the right of private property, the profit motive, free enterprise, freedom of contract, and competition. Students should also understand the pricing system, including some of the ways in which the price system fails or is not permitted to function in solving basic economic problems, particularly problems of monopoly, and also including the role of the government as a regulator. Students should also be involved in activities that will lead them to know what creates jobs, how to think in terms of priorities and trade-offs, who pays taxes, and how those taxes are used.

The suggested activities are designed to cause students to (1) gather information, (2) screen that information to gain knowledge, (3) digest that knowledge to develop understanding, (4) reflect on those understandings to form concepts, and (5) express those concepts through actions that reflect attitudes based on individual values.

Through these approaches students can learn how resources are allocated in a basically free enterprise system where consumer demand determines largely what is produced. They can also learn how individuals fit into the flow of earning, spending, saving, and investing and how all of these affect the market flow of our economy.

Issues and questions that arise in our economy, whether related to consumer, producer, entrepreneur, or citizen, are many, varied, and interrelated because of our complex society. This does not mean that the development of economic concepts must be difficult. Certain fundamental economic concepts that everyone needs to develop are fairly simple and easy to understand if they are applied to everyday activities in such a way that students can relate to them.

The activities are organized under 14 basic economic concepts. These concepts were selected because they will enable students to learn the relationship between economic affairs and their personal lives and why and how businesses are organized and operated to produce the goods and services that our society needs and wants.

Each concept is presented on a chart that also provides related vocabulary, objectives, activities, resources, and identification of business courses that have content related to the concept.

The related vocabulary lists terms that students should be able to define and use correctly. So that students can have access to definitions of these terms, a glossary of all the terms is included on pages 37-48. The glossary might be duplicated for each student.

Objectives are stated in performance outcomes. If at the beginning students are made aware of what they will be expected to be able to do or know at the conclusion of the study of the concept, the activities will become more meaningful.

Activities suggested are varied, including both individual and group involvement. In many instances, students must seek out information and apply it in order to complete projects or reports.

Resources include films, filmstrips, games, periodicals, brochures, kits, community business personnel, transparencies, newspapers, city and county records, tax assessor offices and other departments of government, and various other types of library references.

Appendix A consists of material that might be used to make transparencies or be duplicated as handouts for students.

Appendix B provides a list of related films, filmstrips, games, and other materials and references, including addresses for requesting information or obtaining the materials.

Business courses with content related to the specific concept are identified so that applications of the materials are readily evident. Teachers should relate the concepts and develop other activities for all courses they teach as well as those listed. For example, many of the resource materials can be adapted for use in typewriting and shorthand courses. There are also related skill-building materials available from publishers.

**TEACHING THE AMERICAN
FREE ENTERPRISE SYSTEM**

**—ITS ESSENTIALS AND BENEFITS—
THROUGH BUSINESS EDUCATION**

CONCEPTS

RESOURCE SCARCITY

CONCEPT:

The basic economic problem is that people, with unlimited wants and needs, live in a world of limited resources.

Applicable for:

Personal Business Management
Business Management & Ownership

Related Vocabulary	Objectives	Activities	Resources
economics mixed economy production free enterprise factors of production allocation of resources natural resources human resources capital resources consumers goods services supply demand distribution scarcity economizing economic system	Students will be able to: • Define economics • Identify different economic systems • Discuss the basic economic problem • Identify production resources and explain how they are allocated in our free enterprise system • Distinguish between the law of scarcity and the law of supply and demand • Identify the factors of production • Define the economic meanings of <i>supply</i> and <i>demand</i> • Explain how supply and demand affect prices • Identify the characteristics of the free enterprise system • List the three basic economic problems caused by limited resources	• Have students compile individual lists—one of needs and one of wants—for economic goods and services that they have or are likely to have in the future. From their lists of wants, have students select five major wants and arrange them in order of priority to establish individual economic goals. • Have students develop a demand schedule for a specific product. After the schedule has been developed, discuss the rule: "Other things held constant, as prices decline, the quantity demanded increases and vice versa." • Have students find out from businesses in the community how quantity of the purchase or production of an item is determined. Have each student summarize his or her findings. Discuss how consumer demand affected the decisions that were made about purchases or production.	<u>Related Films</u> • Scarcity (<i>The People on Market Street</i>) • <i>The Law of Supply & Demand</i> • <i>The Basic Elements of Production</i> • <i>Organization</i> (American Enterprise Series) • <u><i>The Kingdom of Mocha</i></u> <u>Related Games</u> • Enterprise • Limited Market • Micro-Economy <u>Newspapers & Periodicals</u> • <i>The New York Times</i> • <i>The Wall Street Journal</i> • <i>National Observer</i> • <i>Nation's Business</i>

RESOURCE SCARCITY (continued)

Related Vocabulary	Objectives	Activities	Resources
market economy economic wants mixed economy capitalism command economy business entrepreneur utility		• Give students a list of economic terms taken from the related vocabulary in this concept. Have them select a term and prepare a report. Let them choose their form of reporting. • Have students collect cartoons or other humorous items related to the concept of scarcity and place them on a special bulletin board. Some students might draw cartoons. • Have each student assume that he or she has been chosen ruler of a small island country with a population of 10,000. Each student is to determine the answers to these basic economic questions: • What to produce? • Who will produce? • How to produce? • For whom to produce? • How much to produce? • Discuss students' answers and the effects of the decisions on the entire economy. Also determine what types of economy would result.	• <i>Forbes</i> • <i>Fortune</i> • <i>Changing Times</i> • <i>Free Enterprise</i> <u>Other Materials</u> • American Enterprise "Teaching Notes" (booklet)

HUMAN RESOURCES

CONCEPT:

Full use of human resources is essential to the strength of our American way of life.

Applicable for:

Office Procedures
Personal Business Management
Business Management & Ownership
Business Law
VOE

Related Vocabulary	Objectives	Activities	Resources
wages salary consumers management entrepreneurs work ethic productivity white collar worker blue collar worker labor unions arbitration arbitrator absenteeism fringe benefits motivation collective-bargaining mediation	Students will be able to: - Explain why all able-bodied members of society should work in order for society to survive - Explain the relationship of a strong work ethic and a high standard of living - Describe how employer-employee relations affect the success of a business - Enumerate objectives of organized labor - Name laws that deal with discrimination in employment - Explain the relationship between work attitudes and absenteeism	- Discuss the roles of the two factors of production that are human resources: - Labor - Entrepreneurial ability (management) - Assign students to groups to locate and bring to class current statistical information on the total working force in the U.S.: - number of white collar workers - number of blue collar workers - number at management level - number or percent of unemployed - areas of highest unemployment - Discuss these statistics in relation to the local community.	<u>Related Films</u> <i>People</i> (American Enterprise Series) <i>Opinion of the Public</i> <u>Related Filmstrips</u> "You and Your Economy" <u>Library</u> - Career magazines <i>World Almanac</i> <u>Other Materials</u> - Career Kits - U.S. Department of Labor "The Search for Economic Security" (booklet) "The American Economic System...And Your Part In It" (booklet)

HUMAN RESOURCES (continued)

Related Vocabulary	Objectives	Activities	Resources
unemployment full employment strike injunction labor force technology	• Apply for a job • Identify sources of job opportunities • Locate information relating to any career included in the 15 cluster areas identified by USOE	• Compile a list of possible reasons for unemployment. Discuss ways for reducing unemployment and why everyone who wants to should be able to work. • Develop survey questionnaire for interviewing both management and labor leaders regarding settlement of disagreements in wages and other benefits. • Have student interview, individually, someone from management—might be local business owner—or someone from labor organization. Discuss in class information obtained. OR • Invite representatives from both labor and management into classroom. Use predetermined questions for learning how differences are settled; arbitrated. • Trace the development of the laws that govern labor unions.	

HUMAN RESOURCES (continued)

Related Vocabulary	Objectives	Activities	Resources
		• Discuss laws that deal with discrimination in employment. • Have students write a short paper on how they feel about the "work ethic." • Obtain a variety of job application forms with permission to duplicate. Teach students how to fill in correctly. • Invite a representative from an employment agency or personnel department to speak to class on job interview, perhaps demonstrate an interview. • Have students compile information about preparation for a specific career, including such information as: amount of education or training needed, projected job opportunities.	

OPPORTUNITY COST/TRADE-OFFS

CONCEPT:

An economic decision results in the giving up of one want or need to satisfy another.

Applicable for:

Personal Business Management
Business Management & Ownership
Business Law

Related Vocabulary	Objectives	Activities	Resources
opportunity cost trade-off scarcity values economic wants	Student will be able to: • Explain why every economic decision has an opportunity cost • Explain opportunity cost and give examples • Relate values to opportunity cost • Explain the difference between trade-offs and opportunity cost	• Explain opportunity cost and give example. • To emphasize the concept of scarcity and how scarcity necessitates choice making which results in opportunity costs to individuals, businesses, and society: • Have students list several personal items they might decide to buy. Then, opposite each item, write what might be the opportunity cost. • Have students develop a list of business alternatives and the opportunity cost of each. • Using the local community, assume that limited funds are available for community improvement. Discuss various alternatives and determine what the trade-offs for improvement will be.	<u>Related Games</u> • New City Telephone Co. <u>Other Material</u> • "Alternatives" (booklets) <u>Local Resources</u> • Chamber of Commerce • City Council

PROBLEM SOLVING AND DECISION MAKING

CONCEPT:

Economic problem solving requires making decisions on specific courses of action from among possible alternatives.

Applicable for:

Personal Business Management
Business Management & Ownership
Business Law
Office Procedures

Related Vocabulary	Objectives	Activities	Resources
alternative analyze trade-off decision making choice	Students will be able to: • Explain the relationship between decision making and unlimited wants vs. limited resources. • Enumerate the steps in decision making • Analyze situations and suggest alternatives available in a given situation • Arrive at a solution for an identified problem and support the decision	• Discuss the steps of "Reasoned Approach to Economic Decision Making" (Appendix A-1). • Show film or use game that explains or requires decision making. • List types of decisions people make everyday. • Using a variety of case situations (both personal and business related), have students individually or in groups follow through the steps of reasoned decision making and arrive at what they feel are good solutions. Have them explain their decisions. • Have students research a current controversial economic issue. Discuss the pros and cons of the issue. Have students vote on the issue and write reasons for their decisions. • Have students list examples of how social pressures have affected their recent consumer decisions.	<u>Related Film</u> • <i>You Decide</i> <u>Related Games</u> • Budgets and Taxes • New City Telephone Company <u>Handout</u> • "Reasoned Approach to Economic Decision Making" (Appendix A-1) <u>Other Materials</u> • "Economic Cases for Discussion" (booklet) • "Basic Concepts in Business Education" (booklet)

NATURAL RESOURCES

CONCEPT:

Protection of the environment and conservation of resources are essential to life on earth.

Applicable for:

Personal Business Management
Business Organization & Management
Business Law

Related Vocabulary	Objectives	Activities	Resources
pollution resources nonrenewable resources maximum utility ecology recycle depletion urbanization conservation environment oceanography	Students will be able to: - Identify major kinds of pollution and their causes - In dealing with environmental problems, make reasoned trade-off decisions between unpleasant alternatives - Explain why conservation is a "must" for continued, quality life - Identify agencies and laws that conserve natural resources and control pollution - Discuss both the beneficial and detrimental effects of technological change	- With a film, introduce the concept of environmental conservation and protection. - As students identify various types of pollution, make a list on chalkboard or overhead transparency. (List should include air, water, surface mining, aesthetic, solid waste, noise, pesticides.) - Assign each student to make a report on one specific type of pollution, including such information as - who is causing the pollution (business, consumer, or both)? - extent of pollution? - who is being affected most by the pollution? - are steps being taken to correct the situation? - if so, by whom? - what further should be done? Reports should include legislative acts related to type of pollution in report.	<u>Related Films</u> <i>Land</i> (American Enterprise Series) <i>What's the Energy Crisis All About</i> <i>Environmental Education: A Beginning</i> <i>Goal to Go</i> <i>An Investment to Protect</i> <u>Related Games</u> - Dirty Water - Ecology - The Land Use Game - Pollution Game - The Redwood Controversy - Pollution (simulation) - New Steel Site—But Where?

NATURAL RESOURCES (continued)

Related Vocabulary	Objectives	Activities	Resources
		- Have students use "Reasoned Approach to Economic Decision Making" (Appendix A-1) to weigh alternatives and arrive at what they believe would be a reasoned trade-off in dealing with surface mining or expensive coal; construction of pipeline through scenic territory or delay and more expensive oil; automobile exhaust or lower gas mileage with pollution treatment devices. - Locate businesses in the community that recycle some form of waste materials and discuss the effects of the recycling. - Explore in small groups what might happen if there were no governmental regulations concerning the environment. - Participate in a game that deals with improvement of environmental quality and its effect upon profit. OR - Participate in simulation that deals with trade-offs between environmental quality and corporate/personal goals.	<u>Related Games (continued)</u> - The Planet Management Game <u>Related Filmstrip</u> "Business Means Business About Ecology" ("Economics for Young Americans") <u>Library</u> <i>Reader's Guide</i> - Card catalog, by subject <u>Other Material</u> "Business and the Public Interest" (booklet)

NATURAL RESOURCES (continued)

Related Vocabulary	Objectives	Activities	Resources
		• Make a search for businesses that use renewable natural resources in their production of goods to find out what, if anything, they are doing to replenish supplies of resources. Speculate on what the results might be if renewable resources are not replaced.	

EFFECTIVE USE OF CREDIT

CONCEPT:

Credit is the lifeline of our free enterprise system.

Applicable for:

Business Mathematics
Personal Business Management
Business Management & Ownership
Business Law
Personal Finance

Related Vocabulary	Objectives	Activities	Resources
credit credit rating collateral true interest interest mortgage loan lien principal usury charge accounts finance charge signature loan	Students will be able to: • Explain the meaning of credit and its function in our society • Enumerate qualifications required for obtaining credit • List sources of credit and type of credit offered by each to consumers • Describe procedure for obtaining credit • Compute credit costs and determine the best financial source for type of credit needed • Identify sources of credit for businesses • Discuss the "Three C's of Credit" • Enumerate both advantages and disadvantages of credit • Fill in a credit application form	• Discuss the meaning of credit and its function from both a consumer and a business standpoint. Use film to emphasize role of credit. • As a class project, assign students to compile a list of as many sources of credit as they can locate—both consumer and business sources—describing the type(s) of credit obtainable from each. • Obtain credit card application forms from businesses in the community. Duplicate, with permission, forms so that each student can complete at least one application for credit. • Have students prepare a list of questions to use when a finance officer talks with the class about credit. • Let students "buy a home": Show cost; interest over a 20-, 25-, 30-, 35-year period; and Total Cost of each period.	<u>Related Films</u> • <i>Credit</i> • <i>Your Credit is Good</i> • <i>Consumer Skills: Buying on Credit</i> <u>Related Filmstrips</u> • "Making Money Work" • "Money Matters" (Economics for Young Americans) <u>Related Games</u> • Managing Your Money • Consumer <u>Speakers from Community</u> • Banker • Savings and loan officer • Representative from Better Business Bureau or Retail Merchants

EFFECTIVE USE OF CREDIT (continued)

Related Vocabulary	Objectives	Activities	Resources
		• Have each student choose some item she or he would like to own that would require some type of financing or credit. Through cost comparison, have students determine the source of lowest finance charges. • Ask a volunteer to report to class on Dun and Bradstreet, what it is, its function, and how it operates. • Invite representative of Retail Merchants Association to explain its relationship to credit. • Divide students into groups of four or five. Have each group develop a bulletin board related to some facet of credit. • Let volunteer group write and present a skit about obtaining credit. • Write a short paper beginning with: "The Ability to 'buy now, pay later' is more than just a convenience." (Statement may relate to either an individual or a business.)	<u>Other Materials</u> • "It's Your Credit—Manage It Wisely" (booklet) • "Teaching How to Use Truth in Lending" (booklet) • "Using Our Credit Intelligently" (booklet)

COMPETITION

CONCEPT:

Competition is a basic ingredient of the American market place.

Applicable for:

Personal Business Management
Business Management & Ownership
Advertising
Advanced Accounting

Related Vocabulary	Objectives	Activities	Resources
free market market sharing monopoly price fixing pricing oligopoly pure competition sales promotion advertising nonprice competition	Students shall be able to: • Define pure competition • Differentiate between price and non-price competition • Identify different forms of competition (regulator of business, stimulator of business) • Describe benefits of competition • Explain price fixing and its effect on consumers • Discuss how the government both restricts and preserves competition • Enumerate advantages and disadvantages to the consumer of advertising as a form of competition	• With a film, introduce concepts underlying business competition. • Have students locate and bring for class discussion legislative acts that regulate marketing practices: - Federal Trade Commission Act - Sherman Act - Clayton Act - Robinson-Patman Act • Group students. Have each group demonstrate, by constructing a bulletin board or developing a skit, a benefit of competition. • Involve students in discussion comparing personal competition with business competition. (Determine if there are common elements.) • Divide class into two groups: students in one group present specific instances where advertising has been or might be an advantage to consumers, students in other group present instances where advertising has been or might be a disadvantage to consumers.	<u>Related Films</u> • <i>Competitive Prices in Action (Free Enterprise Economics)</i> • <i>It's Everybody's Business</i> • <i>Principles We Live By</i> • <i>Competition in Action</i> • <i>Competition & Big Business</i> <u>Related Games</u> • Competition or Control? • Competitive Exchange • Market • Competition or Subsidy? • ESSO Service Station Game

COMPETITION (continued)

Related Vocabulary	Objectives	Activities	Resources
		• Have students locate as many different types of monopolies as they can. For each monopoly, find out why it was formed, who controls it, and if the community benefits from it (if so, how?). • Have each student compile a list of areas where he or she will most likely compete (for job, college entrance, spouse, grades; in athletic events).	<u>Other Material</u> • "American Heritage: The Power of Choice" (booklet, see "Free Competitive Markets") <u>Library</u> • Card catalog, by subject • <i>Reader's Guide</i> • <i>Business Education Index</i> • <i>World Almanac</i>

THE ROLE OF PROFIT

CONCEPT:

Profits are vital for maintaining a high standard of living in a free enterprise economic system.

Applicable for:

Accounting, Beginning and Advanced
Business Mathematics
Business Management & Ownership

Related Vocabulary	Objectives	Activities	Resources
capital profit capital investment risk gross profit net profit retained earnings allocation of resources incentive competition supply demand profit sharing circular flow economic growth economic efficiency economic security	Students will be able to: • Explain the uses of profits • Differentiate between gross profit and net profit • Identify ways in which profit can stimulate the economy • Explain profit as a yardstick of success • Explain the difference in distribution of profits in a corporation, a partnership, and a proprietorship • Explain where profits fit into the circular flow of the economy • Identify ways that individuals can earn some of the profits of a business • Explain benefits of business profits both to individuals and to the government	• With a film, introduce the role of profit. • Group students. Have each group obtain an annual report of a corporation (no two groups using same one). Determine amount of year's profit as a percent of sales and as a percent of investments in the company. Make a graph showing percentages. (Students might write to corporation for information.) • Have students working in groups construct bulletin boards depicting what might happen to a corporation's profit at the end of a fiscal year, if the net profit is \$150,000. • Show how much would be paid in Federal Corporate taxes. • Determine if a dividend will be paid, if so, how much. • Show how much will be put back into the business. • Show the income tax that individuals would pay on dividends received (assuming that this income is fully taxable at 35 percent)	<u>Related Films</u> • <i>Profits & Progress</i> • <i>Business, What It's All About</i> • <i>Everybody's Business</i> • <i>The Profit System</i> • <i>Profits—The Sparkplug of Our Economy</i> • <i>If the Fergi Fits, Wear It</i> • <i>Who Profits From Profits</i> (Free Enterprise Economics) <u>Related Filmstrips</u> • "Profits at Work" (Economics for Young Americans) • "Profits" (Inflation, Profits, and Productivity)

THE ROLE OF PROFIT (continued)

Related Vocabulary	Objectives	Activities	Resources
		• Have students write a paper telling how they benefit from taxes paid on profits of businesses. • Have students find information about a company that has a profit-sharing plan. Discuss how it works and how they feel about such a plan. • Use transparency showing circular flow, discuss how and where profits fit into the flow. (Appendix A-2) • Have students complete a statement beginning, "Profits are the result of _____." Students should find and list as many factors as they can that have an effect on whether or not a company makes a profit. Discuss the various factors presented.	<u>Other Materials</u> • "The Profit Motive and The Public Interest" (booklet) • "The Worst Crime Against Working People Is A Company That Fails to Make a Profit" (booklet) • "Industry's Profits" (booklet) • "Profits—Something for Everyone" (booklet) <u>Local Resources</u> • Stockbroker • Business person <u>Library</u> • <i>Business Education Index</i> • <i>Reader's Guide</i> • <i>Standard and Poor's</i> • <i>Moody's</i>

THE ROLE OF FINANCE

CONCEPT:

Growth in the economy depends upon adequate financial resources.

Applicable for:

Personal Finance
Personal Business Management
Business Mathematics
Accounting
Business Management & Ownership

Related Vocabulary	Objectives	Activities	Resources
capital market capital formation capital investment corporate bonds monetary policy fiscal policy dividends long-term financing finance companies investment bank commercial bank mutual funds pension funds debt capital equity capital	Students will be able to: - Explain why it is necessary for corporations and other businesses to obtain financing - Identify methods that a corporation might use to obtain funds for expansion - Explain the advantages and disadvantages of owning: - common stock - preferred stock - corporate bonds - Explain the advantages and disadvantages to a corporation of issuing: - common stock - preferred stock - corporate bonds	- Have students locate local sources that provide business funding and make a poster demonstrating the various types of funding. - Invite representatives from such funding sources as an insurance company, a savings & loan association, banks (commercial, investment), mutual funds, and pension funds to conduct a panel discussion on types of loans available to businesses. - Obtain a financial statement from a corporation and determine the equity capital and debt capital. Discuss the advantages and disadvantages of obtaining each type of capital. - Have students seek information on the amount of equity capital owned by individuals in the U.S. Discuss the effect of this type of investment on our economy. Discuss, also, the advantages and disadvantages of owning common stock, preferred stock, and corporate bonds.	<u>Related Films</u> <i>Organization, Business Money</i> <i>Business Money</i> (two parts) <i>It's Your Decision</i> <i>The One-Man Band That Went To Wall Street</i> <u>Related Games</u> - Mr. Banker - Stock Market Game <u>Local Resources</u> - Stockbroker - Insurance agent - Investment banker - Commercial banker

THE ROLE OF FINANCE (continued)

Related Vocabulary	Objectives	Activities	Resources
	- Identify ways that the economy is affected by both monetary policy and fiscal policy - Explain the importance of accurate accounting records for a business	- Using newspapers, learn how to read and interpret the stock report. - Invite someone from a bank to explain the role of the Federal Reserve System and how it affects money flow and monetary policy and how the flow of money affects individuals economically. - Invite an investment officer for a retirement fund to discuss what is involved in investing those funds so that the retirement system is sound. Discuss how these investments benefit both the economy through equity or debt capital and the retired individual. - Using income statements of a particular business for two consecutive quarters, or years, have students compare the net income for the two periods and determine the percent of increase or decrease.	<u>Library</u> - Card catalog, by subject <i>World Almanac</i> <u>Other Materials</u> "Market for Millions" (booklet) "You and the Investment World" (booklet) "Does it Make Sense for Me to Buy Stock?" (booklet) "Money and Finance" (booklet)

BUSINESS CYCLES

CONCEPT:

Business fluctuations are a natural part of the American free enterprise system.

Applicable for:

Business Management & Ownership
Accounting
Personal Business Management
Personal Finance

Related Vocabulary	Objectives	Activities	Resources
aggregate demand business cycle constant dollar current dollar deflation depression stagflation recession inflation hyperinflation Gross National Product recovery trough prosperity real income	Students will be able to: - Describe the four phases of the business cycle - Identify factors that affect the duration of a business cycle - Explain the causes of inflation - Determine current stage of the business cycle - Explain the role of government in the various phases of the business cycle - Explain the relationship of supply and demand and business cycles - Identify actions that the government takes in an attempt to control inflation and recession - Suggest ways that businesses can cope with inflation and recession - Explain how the progressive income tax serves as an economic stabilizer	- Project a transparency about the business cycle (Appendix A-3) Discuss characteristics of each phase, relating its effect on the gross national product. - Provide students a graph on which to plot the U.S. Gross National Product from 1970 to the present. (Appendix A-4) - Locate and list ways that businesses cope with recession and inflation. - Locate and list controls that the government uses to fight recession and inflation. Discuss what happens when government policies fail to stop inflation. - Assign students to find current information that will enable them to determine the present phase of the business cycle. - Have students find information in the library on increase in GNP from 1967 to present, and use that information to construct a graph showing percentages in terms of constant dollar and current dollars.	<u>Related Films</u> <i>Freedom 2000</i> <i>Anatomy of Inflation</i> <i>Inflation</i> <i>Inflation's Everybody's Problem</i> (Free Enterprise Economics) <u>Related Filmstrips</u> "Controlling the Business Cycle" "What's Right With America" "The Day Business Stood Still" <u>Transparency Master</u> - Four Phases of the Business Cycle (Appendix A-3) <u>Library</u> - Business periodicals (Appendix B)

BUSINESS CYCLES (continued)

Related Vocabulary	Objectives	Activities	Resources
per capita expenditure wage-price spiral fiscal policy monetary policy			<u>Library (continued)</u> • Card catalog, by subject • <i>World Almanac</i> • <i>Reader's Guide</i> • <i>Business Education Index</i> <u>Other Materials</u> • <i>Survey of Current Business</i> (Commerce Department) • <i>Federal Reserve Bulletin</i> (Monthly) • <i>NBEA Yearbook</i>, 1975 • "Business Ups & Downs" (booklet)

TECHNOLOGICAL GROWTH AND DEVELOPMENT

CONCEPT: Technology is the means employed by business to provide increased production of goods and services to meet wants and needs of society.

Applicable for: Business Management & Ownership
Accounting
Data Processing

Related Vocabulary	Objectives	Activities	Resources
technology automation electronic equipment mass production mechanization standardization assembly line specialization information processing technological development	Students shall be able to: • Explain how technology has increased production • Discuss automation and its relationship to a high standard of living • Explain the advantage of standardization of products • Give an example of an automated process and explain its effect on production • Cite problems that we face today that are related to technology	• With a film, introduce the concept of technology • Have each student select an industry and trace the effects of technology on that industry for the past 50 years. • Group students, assigning each group to construct a bulletin board demonstrating the changes technology has brought about: industrial automation, office technology, word processing. • Debate the statement, "Technology is the Answer to Economic Problems." • Assign students to write a short paper on "Our High Standard of Living is the Result of Automation."	<u>Related Films</u> • <i>The Impact of Technology</i> • <i>Productivity—Key to Plenty</i> • <i>The Information Explosion</i> • <i>Innovation</i> (American Enterprise Series) • <i>Wheel of Progress</i> <u>Related Filmstrips</u> • "The Promise of Productivity" (Economics for Young Americans) <u>Library</u> • Business periodicals (Appendix B) • Card catalog, by subject • <i>Business Education Index</i>

TECHNOLOGICAL GROWTH AND DEVELOPMENT (continued)

Related Vocabulary	Objectives	Activities	Resources
			<u>Local Resources</u> • Representatives of businesses and industries in community • Economic reports <u>Other Materials</u> • "Automation" (booklet)

SOCIAL RESPONSIBILITY

CONCEPT: American business has both social and economic responsibilities to the society in which it operates.

Applicable for: Personal Business Management
Business Management and Ownership
Business Law

Related Vocabulary	Objectives	Activities	Resources
product safety pluralism business ethics social responsibility standard of living discrimination relocation unemployment workers compensation compensation	Students will be able to: - Identify ways that businesses contribute to the wealth and well-being of the community - Explain the relationships among business profits, economic growth, and high standard of living - Identify legislative acts that deal with consumer protection - Discuss the pros and cons of business' social responsibilities - Determine whose money is being spent when corporations provide social benefits - Explain why a business might decide to relocate - Explain how unemployment benefits are financed - Explain how social security is financed	- Introduce concept with film showing business as a mechanism for satisfying people's needs. - Compile a list of factors that would be necessary for a business to consider in determining whether or not it practices social responsibility and to what extent it should be involved. Discuss fully each factor before including it on the list. - Assign students to make a comparative study of the standard of living in the free enterprise system with those in other types of economic systems. (Students might be grouped; each group assigned to a different comparison.) - Have students locate and bring for class discussion legislative acts that pertain to consumer protection. - Investigate the corporate structure to find out who are affected financially when corporations provide social benefits.	<u>Related Films</u> <i>Business, What It's All About</i> <i>Profits and Progress</i> <u>Other Materials</u> "American Enterprise, Teaching Notes" "Business and the Public Interest" (booklet) "Newsletters to Educators" <i>Consumer Reports</i> - Economic reports - Economic indicators - U.S. and Texas Employment Commissions publications <i>Business Horizons</i>, "The Current Status of Corporate Social Responsibility," August 1973 - City and county records

SOCIAL RESPONSIBILITY (continued)

Related Vocabulary	Objectives	Activities	Resources
	• Compare the standard of living in the U.S. with those of countries with other types of economic systems	• Organize an imaginary company. Assign students or groups of students to acquire information a company would need to know before relocating. After all information is gathered, discuss the effects of such a move on its employees, including management. (Consider site, zoning laws, housing, available labor, and cost of living.) • Obtain information on how unemployment compensation, workers compensation, and social security are financed. • Construct a circle graph of each benefit, showing the percent paid by employers and employees.	

THE ROLE OF GOVERNMENT

CONCEPT:

The functions of government in relation to both businesses and consumers are to protect, to provide services, and to regulate.

Applicable for:

Business Mathematics
Personal Business Management
Business Management & Ownership
Business Law
Accounting

Related Vocabulary	Objectives	Activities	Resources
copyrights trademark patent rebate price discrimination subsidize excise tax income tax progressive tax eminent domain property tax revenue tariff regulation redistribution	Students will be able to: - Describe ways that the government aids both business and individuals - Explain how the government depends on businesses - Cite types of business activities that are regulated by government - Identify and describe different kinds of taxes at all levels of government and explain their purposes - Itemize services that are provided by the government - Explain why the services of government are not free - Explain how increased government spending affects businesses and individuals - Describe the progressive income tax	- Introduce the roles of government by using pictures of schools, police, library, bus services, health inspection, and fire protection as illustrations of different types of business services provided by government. As pictures are shown, have students identify and develop a list of services. - As a class project, assign students to determine groups of persons in the community who receive transfer payments from the government. - Assign groups of students to make a study of various taxes (sales, property, income, excise, tariff) determining the purpose of the tax and who ultimately pays the tax. - Invite the local tax assessor to explain how property taxes are assessed, how rates are determined and collected. - Have panel discussions on: "How Our Tax Dollars Benefit Us" and "Government Services Are Not Free."	<u>Related Films</u> <i>Government</i> (American Enterprise Series) <i>Free Enterprise</i> <i>The Incredible Bread Machine</i> <i>The Legend of Dan and Gus</i> <i>Once Upon a Time</i> <i>What Are Taxes All About</i> <u>Related Filmstrips</u> "What's Right With America" "Consumer Choice" <u>Library</u> - Card catalog, by subject - Business periodicals (Appendix B)

THE ROLE OF GOVERNMENT (continued)

Related Vocabulary	Objectives	Activities	Resources
merger deficit spending transfer payments		• Have some student determine from sources in library what percentage of all gainfully employed people work for the government. • Have students locate organizations in the community that are exempt from paying taxes. Discuss the pros and cons of such exemption. • Assign students to locate companies that are subsidized by the government and find out why the subsidy has been granted. Discuss pros and cons of such subsidies. • Group class in thirds. Designate each group as local, state, or national, and assign groups to investigate and report on areas of protection provided by the government at that particular level. • Invite a panel of business persons to discuss ways government assists and ways it regulates business operations. (Include copyrights, trademarks, patents, tariffs, trusts, monopolies, price discrimination, fair trade, corporate tax.)	<u>Library (continued)</u> • <i>Consumer Reports</i> • <i>Consumer's Guide</i> • <i>Free Enterprise</i> • Almanacs <u>Other Materials</u> • "Basic Concepts in Business Education" (booklet) • American Enterprise, "Teaching Notes" (booklet) • "Materials for Teaching Economic Principals" (booklet) • "Your American Heritage: The Power to Choose" (booklet) • "The Government's Role" (booklet)

THE ROLE OF GOVERNMENT (continued)

Related Vocabulary	Objectives	Activities	Resources
		• Group students, assigning each group to develop a bulletin board representing a role of government—protector, provider of services, regulator • Have each student list services, protection, and regulations that the government does that he or she thinks should be eliminated and why.	

INTERNATIONAL TRADE

CONCEPT:

International trade is important to our economy because it provides resources not available in the U.S., and it expands the market for our products.

Applicable for:

Business Management & Ownership
Business Law
Advanced Accounting

Related Vocabulary	Objectives	Activities	Resources
protective tariff revenue tariff balance of payments balance of trade multinational corporation imports exports expropriation quotas	Students will be able to: • Explain the importance of world trade in our economy • Describe ways that businesses participate in foreign trade • Discuss the pros and cons of tariffs • Define and give examples of multinational corporations • Describe the important international trade agreements • Distinguish between balance of trade and balance of payments • Cite problems that have been encountered by international corporations	• Have students do reports or projects on products exchanged between Texas and other countries of the world. • Discuss tariffs and other trade barriers, such as quotas, that are imposed to protect domestic industries, their impact on consumers, and the effects of trade agreements. • Chart a graph on balance of trade and balance of payments for the past 10 years. Discuss the difference between balance of trade and balance of payments, the causes of the difference, and its effect on our economy. • Trace the growth of a multinational corporation from its first operation in a foreign country, including problems it encountered.	<u>Related Film</u> • <i>Breaking the Trade Barrier</i> <u>Related Filmstrip</u> • "Understanding International Trade" <u>Library</u> • <i>Fortune</i> • <i>Business Week</i> • <i>Nation's Business</i> • <i>Foreign Trade Newsletter</i> • Kiplinger Letters <u>Newspapers</u> • <i>Wall Street Journal</i> • <i>New York Times</i> • <i>Barron's</i>

INTERNATIONAL TRADE (continued)

Related Vocabulary	Objectives	Activities	Resources
			<u>Other Materials</u> • Economic Report of the President • International Economic Report of the President • "Highlights of U.S. Export Import Trade," Bureau of Census • U.S. Department of Commerce and Bureau of Economic Analysis publications • "The Balance of Payments" (booklet) • "Commerce" (booklet) • "GATT—What It Is, What It Does, How It Works" (booklet) • "The Tariff Idea" (booklet) <u>Related Games</u> • BALPAY (Balance of Trade) • IMPORT

GLOSSARY

absenteeism	the hours and days which are lost to the business because of a worker's absence from the job
advertising	any form of paid, nonpersonal presentation of goods, services, or ideas directed toward a large number of people for the purpose of inducing them to buy
aggregate demand	the total of all spending by persons, governments, businesses, and foreign buyers for the output of U.S. industry
allocate	to set apart for a specific purpose
allocation of resources	the process which determines the uses of available resources. In the free enterprise system allocation of resources is accomplished through the market mechanism.
alternative	an opportunity for deciding between two or more choices
analyze	to study the nature and relationship of an issue or problem by separating it into its various parts
arbitration	a means used by labor and management to settle a dispute; they agree in advance that they will be bound by the decision of the arbitrator. (A mediator does not have the power to make the parties agree to the decision.)
arbitrator	a neutral third person who has the power to settle labor disputes submitted to him or her by arbitration
assembly line	an arrangement of machines, equipment, and workers in which work passes from operation in direct line until the product is completed
automation	the process of operating machinery that controls other machines automatically without the aid of human effort
balance of payments	the difference between a nation's total payments to foreign countries and its receipts from foreign countries

balance of trade	the difference between the value of exports and the value of imports
blue collar workers	those who engage in manual activity as compared to white collar workers who perform clerical and administrative tasks
business	all the work involved in providing people with goods and services for profit
business cycle	the phases of good and poor business activity through which the economy of a country passes
business ethics	fair rules of conduct for business operations. Many federal and state laws help protect the public from businesses which would be operated in an unfair way; however, businesses police themselves to a certain extent: Better Business Bureau.
capital	any form of wealth used for production, including all buildings, machines, tools, and other tangible goods that do not by themselves satisfy the wants of consumers
capital formation	the process by which society increases its investing in machinery, equipment, and the ability of management to make a profit
capital resources	the buildings, machines, tools, and other tangible goods used in the production of goods and services
capital investment	money spent by businesses on new plants and equipment
capitalism	a system of economic organization based on the right of private ownership of the means of production and the right to work for a profit
charge accounts	a credit plan that permits the user to charge purchases and to pay for them according to an agreed plan of repayment
choice	involves economic decisions persons must make regarding the use of scarce resources
circular flow	the flow of goods between producers and consumers
collateral	an asset pledged as backing for a loan; property that will pass to the lender if a borrower does not live up to the terms of the loan agreement
collective bargaining	process of negotiation when the union and management discuss wages and working conditions for employees

command economy	government authority over virtually every aspect of the economy
commercial banks	banks that, in addition to accepting savings accounts and making some mortgage loans, provide checking accounts and make short-term business and personal loans
compensation	benefits received to replace losses
competition	a state of rivalry existing among several persons or businesses seeking advantages in selling and buying
conservation	planned management of natural resources
constant dollars	values of different years' dollars expressed in terms of equal purchasing power
consumers	buyers and users of goods and services
consumer price index (CPI)	an index of how much it costs to buy approximately 400 goods and services a typical urban family might purchase, compared to the base year of 1967
copyrights	the sole rights to reproduce, publish, and sell a literary or artistic work
corporate bond	a certificate of indebtedness by the issuing corporation to the bondholder on which a specific amount of interest is paid from the time the bond is issued until it matures
credit	the ability of an individual or business to secure goods, services, or money in exchange for a promise to pay later
credit rating	an estimate of the ability of an individual or business to repay loans based on assets, earning power, and past performance records
current dollars	unit of measurement used to ascertain the current purchasing power of the dollar without taking inflation into account
debt capital	funds borrowed through the sale of bonds
decision making	the process of choosing a particular course of action from among the various alternatives
deficit spending	spending more than is received in a given period

deflation	a sustained fall in the average level of prices of all goods and services
demand	consumer's ability and willingness to purchase desired goods and services
depletion	when resources are totally used up
depression	a phase in the business cycle when there is a sharp decline in business activity, unemployment is at its highest, and business failures and pessimism abound
distribution	the process of transporting or making products available to the consumer
dividends	net earnings distributed to stockholders may be made in the form of cash, property, or shares of stock (stock split)
ecology	the study of the complex relationships among plants, animals, and people that occupy any environment; the pattern of relationships among water, air, soil, and other resources essential to life on earth
economic efficiency	making the best use of limited resources
economic growth	the increase in the production of goods and services, resulting in an ever-higher standard of living
economics	the study of how resources are used, how goods and services are produced, and how wealth is created and distributed in a society
economic security	the maintaining of at least a certain minimum level of living
economic system	the method through which resources are used to produce and distribute goods and services
economic wants	includes the goods and services people want, both public and private; including career and leisure choices
economizing	to practice careful, efficient, and prudent use of resources
efficiency of production	the amount of output in relation to input
electronic equipment	machines that operate automatically with relatively few workers who either monitor operations on instrument panels, control the rate of process, or repair the machinery when necessary

eminent domain	the right of government to purchase, at a fair price, privately owned property for necessary public use
entrepreneur	one who independently establishes a business and assumes the risks involved in putting capital and labor to work, in the hope of making profit
entrepreneurial ability (management)	one of the human resources. The entrepreneur serves the function of organizing, combining, and directing land, labor, and capital in a manner that will result in production.
environment	the combination of social and cultural conditions that influence the life of an individual or community
equity capital	all funds the owners have invested in the business
excise tax	a tax on the sale of a select group of goods or services, such as tobacco, gasoline, cosmetics
exports	goods produced in the U.S. and sold to another country
expropriation	the act of a national government in taking over the property rights of a person or corporation
factors of production	the resources that are necessary for the production of goods and services. They are land, capital, labor, and entrepreneurial ability (management).
finance charge	total amount of interest the borrower will pay—the fee, consisting of both interest and carrying costs, that is paid by a borrower for the privilege of using credit
finance companies	companies that make loans to consumers
fiscal policy	the taxing and spending programs of the government used as a means to help control inflation
free enterprise	the right to start and manage a business, compete with other businesses, and seek a profit, provided it is not prohibited by law
free market	a market system in which no institution can command buyers or sellers or control price. A system in which there is no government control.

fringe benefits	employee benefits or considerations in addition to wages or salary earned, such as paid holidays, sick leave, health insurance, free parking, and tuition reimbursements
full employment	utilization of the labor force that is willing and able to work
goods	items that are produced for consumer use or consumption
Gross National Product	the total market (dollar) value of all goods and services produced in a nation' economy in a given year
gross profit	the difference between net sales and cost of goods sold
human resources	people; the work force
hyperinflation	excessive increases in the price level
income tax	a tax that is levied on the profits of business firms and on money earned by individuals
imports	goods purchased that are produced in another country
incentive	the basis for reaching or exceeding predetermined performance standards
inflation	continuous increases in the price level; generally, the supply of money rises faster than the output of goods and services
information processing	combining raw data with other information and processing it into a useful tool of management
injunction	a court order that prohibits a specific act under penalty of contempt of court
interest	a sum of money paid for the use of borrowed funds
investment bank	a financial institution devoted solely to long-term financing; it does not receive deposits
labor force	all of the people working and looking for work between 16 and 65 years of age

labor union	an organization of workers in same or similar occupations joined together to promote the interest of its members in all dealings with their employers; such as, working conditions, wages, and fringe benefits
lien	a charge upon real or personal property for the satisfaction of some debt; a security interest created by a mortgage
loan	money lent at interest
long-term financing	borrowing money that need not be repaid for a year or longer
management	the process of coordinating resources to meet an objective
manager	person who has the responsibility for making sure a business operates efficiently and meets all its objectives
market economy	an economic system in which buyers and sellers come together and the forces of supply and demand affect prices
market sharing	a conspiracy among suppliers who have pooled their product and divided up a market place for selling their product, with each agreeing to sell only to those stores in his or her assigned area
mass production	manufacturing of large quantities of standardized goods by power-driven machines and assembly line methods
maximum utility	the point at which the most satisfaction is received from a good. Beyond that point is the point of diminishing returns.
mechanization	making automatic to replace human labor
mediation	the process of attempting to render a nonbinding solution to a collective-bargaining dispute
mediator	a person who attempts to resolve labor disputes by offering specific suggestions, but who has no power to enforce them
merger	absorption by a corporation of one or more others
mixed economy	an economic system in which some decisions are made by individuals acting on their own and some are made by government

monetary policy	the attempt of the Federal Reserve System to help stabilize the economy through the discount rate, the reserve requirement, and open market operations
monopoly	the control of the supply of a product or service so as to eliminate competition and thus fix the price
mortgage	a written agreement that creates an interest in real property as a security for an obligation; a loan that is secured by real estate
motivation	in business, the process by which a manager convinces people that their needs can be satisfied by working within the framework of the formal organization
multinational corporation	large companies that have significant operations in more than one country
mutual fund	an investment company in which many investors pool their money to buy securities
natural resources	the materials provided by nature, such as trees, oil, iron ore, and copper
net profit	the amount left to the business after all income is received and costs and expenses paid
nonprice competition	competition that is based on advertising, sales promotion, or product quality rather than on price. The strategy of competing on a basis other than price, such as special packaging, free delivery, liberal credit terms, free promotional materials, quality
nonrenewable resources	the resources of land, labor, capital goods, and management that cannot be renewed: land and the other natural resources such as minerals and water
oceanography	the study of the geography of the ocean, the physics and chemistry of their waters, marine biology, and the exploitation of their resources
oligopoly	a market situation in which only a few business firms compete, and where they can influence the price of a product by changing its supply
opportunity cost	the foregone alternative a person gives up to have or to do something else
patent	an official document conferring a right or privilege

pension funds	sum of money paid regularly by both employer and employee for retirement benefit. These funds are invested in various types of securities.
per capita expenditure	amount spent per person
pluralism	a situation where a wide variety of groups share power
pollution	something that fouls the natural environment so that it makes life first unpleasant, then difficult, and eventually impossible
price discrimination	pricing that substantially lessens competition on terms to create a monopoly
price fixing	illegal private agreement between businesses about what prices to charge for merchandise to eliminate the risk that competitors might undersell them
pricing	the process of setting the selling price of goods high enough to pay for all resource materials and overhead and still make a profit
principal	the capital sum; funds borrowed less interest and carrying charges
production	the creation of utility or the process of increasing the value of things
productivity	physical output, usually of a nation, expressed as gross national product or per capita gross national product
profit	what is left over from the selling price after deducting expenses; the reward for putting a desirable product into usable form
profit sharing	a plan whereby a certain percentage of a company's profit is divided among its long-term employees
progressive tax	a tax that increases as the income increases
property taxes	taxes that are paid on real estate and personal property; such as automobile, appliances, and jewelry
prosperity	a condition of being successful; economic well-being
protective tariff	tax levied to discourage imports or to raise the price so that the item is less competitive with American-made goods

pure competition	a market where everyone can buy and sell without restraint in a free market
quotas	maximum amounts of an item than can be imported
real income	the amount of goods and services that a family or an individual can buy with the amount of money earned during a certain period of time
rebate	refunds made to certain select companies
recession	one phase of the business cycle during which income, employment, and production fall daily
recovery	a phase of the business cycle following recession or depression marked by a gradual rise in production, construction, and employment
recycle	to reconvert waste material into usable products by reclaiming existing value
redistribution	altering distribution through transfer, taking from one source and giving to another
regulation	the act of directing according to law
relocation	to locate in another place. A business frequently will not only pay the employee's moving costs but will also assist in disposing of a home and help to find one in the new location of the business.
resources	resources, both human and property, are the inputs with which products are produced. Economists distinguish four basic resources: land, labor, capital, entrepreneurial ability.
retained earnings	profits not paid out to stockholders in the form of dividends
revenue	the total income produced from a given source
revenue tariff	income to a country from taxes levied on imported goods
risk	the possibility of loss
salary	fixed compensation paid regularly—weekly, biweekly, monthly—for employee's services
sales promotion	every marketing activity designed to stimulate demand

scarcity	the limited quantity of resources used to produce goods and services needed and wanted by consumers
services	the performance of useful activities for clients, patients, or customers
signature loan	an unsecured loan backed only by the borrower's promise to repay
social responsibility	a company's belief that it owes something to the general welfare of society
specialization	a method of production in which each workers specializes in a step in the production process
stagflation	a condition characterized by rising prices and sagging economy
standardization	bringing into conformity with established rule of measure
standard of living	the level of goods and services to which one is accustomed in daily existence
strike	an organized work stoppage intended to force management to accept worker demands
subsidy	a financial aid given to business firms by government
supply	the amounts of a given product that a producer is willing to sell at a given price in the market
tariff	taxes placed on goods being brought into a country
technology	any knowledge that affects and improves production of economic goods or services, including product research, especially designed machines, and mass production techniques
technological development	the products, processes, and procedures that enable businesses to maintain their competitive positions, to grow, and to provide services unknown in prior years
trademarks	devices that point directly to the origin or ownership
trade-off	choosing one good instead of another after comparing the various costs and benefits of each alternative

transfer payments	payments made by a government agency for which the government currently receives no goods, services, or productive resources in return
trough	the lowest point in a business cycle
true interest	the actual rate of interest paid for the use of installment credit
unemployment	involuntary idleness of workers
urbanization	the act of becoming citified; to take on the characteristics of a city
utility	the satisfaction that a good or service yields when they are in proper form, at the right time, at the right place, and there is a desire on the part of the consumer to possess the good or service. Types of utility: form, place, possession, and time.
usury	interest charged beyond the legal rate
values	judgments attributing worth to certain goods and services
wage-price spiral	the relationship of wage increases to price increases—as prices tend to increase, wages also tend to increase and as wages increase, prices rise. The alternating increase in prices and wages causes the purchasing power of the dollar to decrease.
wages	compensation for work based on a calculation of the number of hours worked or on the number of units produced by an employee
white collar workers	workers who traditionally work in offices where the men wear a suit, white shirt, and tie; sometimes they are managerial or executives, but white collar can refer to any worker who works inside where office functions are performed
work ethic	belief in the value of hard work and a strong commitment to it
worker's compensation	an insurance carried by the employer covering a worker's death, injury, or sickness arising directly from the worker's employment

APPENDIX A—Masters for Transparencies and Handouts

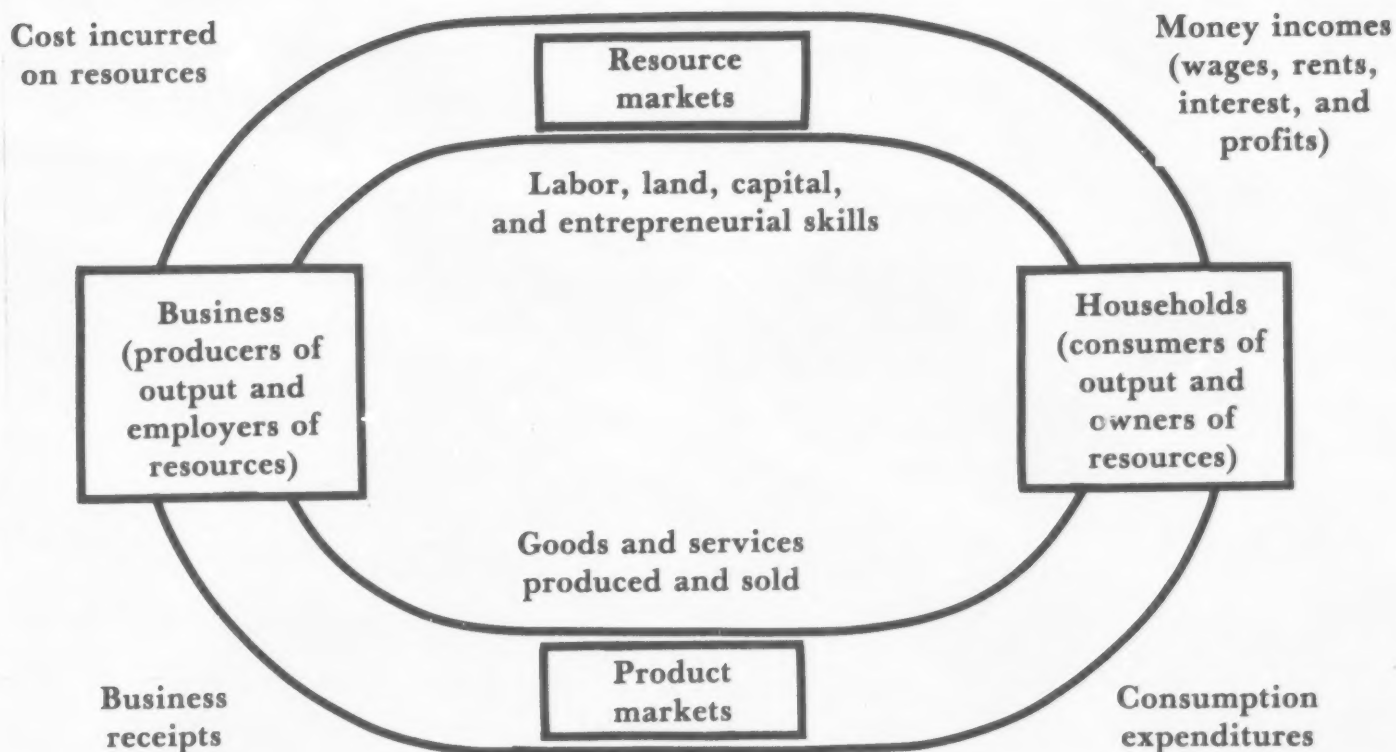
- A-1 A Reasoned Approach to Decision Making (for transparency and handout)
- A-2 Circular Flow of a Free Enterprise Economy (for transparency)
- A-3 Four Phases of the Business Cycle (for transparency)
- A-4 United States' Gross National Product (for transparency and handout)

A REASONED APPROACH TO DECISION MAKING

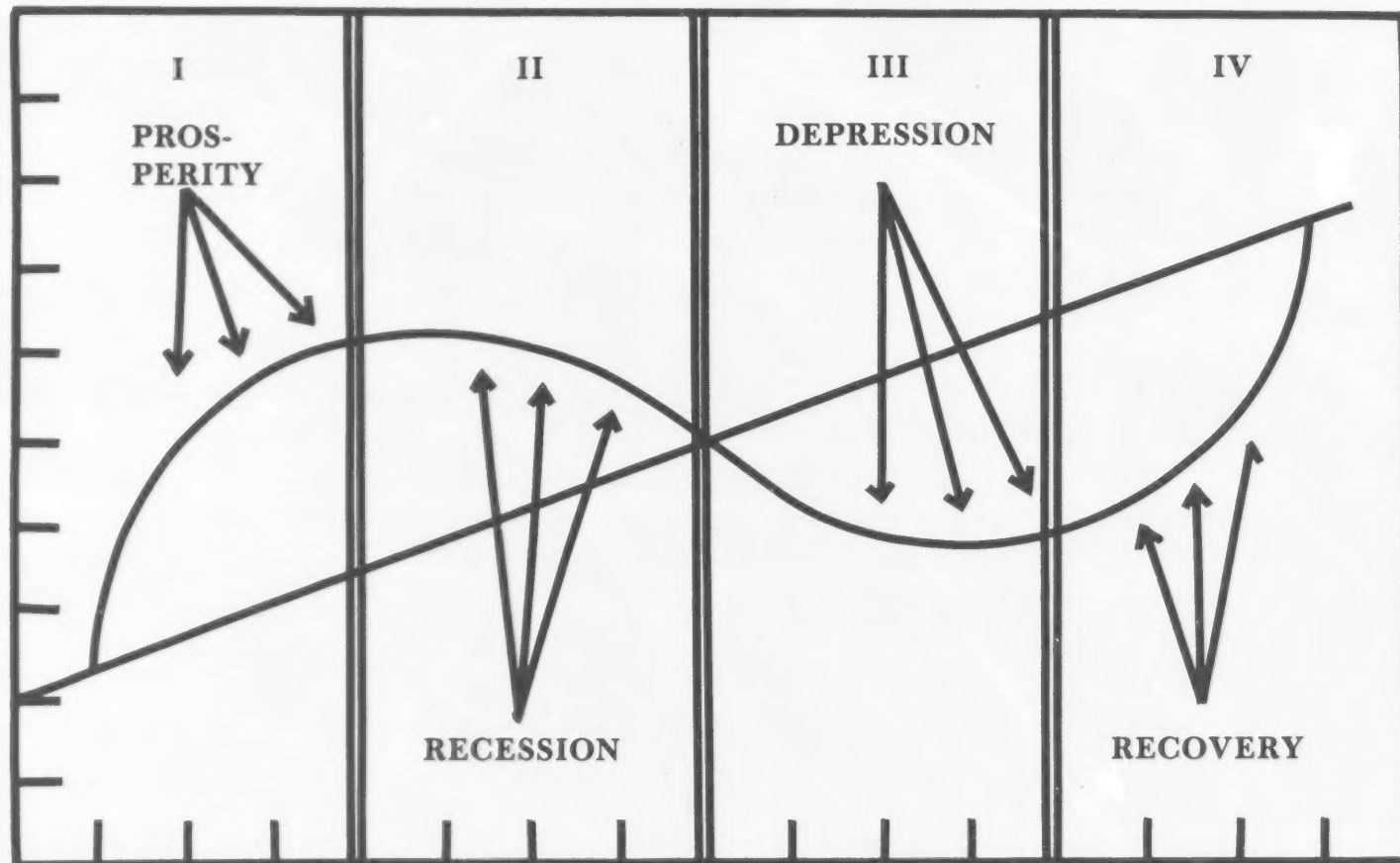
1. Define the problem. Identify the main issues involved in making the decision.
 - What are the important facts?
 - What questions of choice do you have?
 - Where are you coming from? Where do you want to be?
2. Identify your values and goals and arrange in order of priority based on what is important to you. If needed, assign relative weight to goals.
3. Determine the alternative ways of attaining goals. Explore all of the choices open to you, even those that may seem to be out of the ordinary.
4. Analyze the consequences of each alternative.
 - What are the costs and benefits of each alternative?
 - What are the trade-offs among the desired goals?
5. Select the best alternative in light of your values/goals. Make the decision after comparing the costs and benefits of each alternative.

APPENDIX A-2

CIRCULAR FLOW OF A FREE ENTERPRISE ECONOMY



FOUR PHASES OF THE BUSINESS CYCLE



APPENDIX A-4

UNITED STATES' GROSS NATIONAL PRODUCT

From 1970 to 1980



85

APPENDIX B—Resources

Resources

With the first listing of a resource, the complete address is provided. A subsequent listing(s) gives only the company name.

Films

American Enterprise Series—A five-part series that takes an indepth look at our economic system. Each film, 30 minutes.

- *Land*—looks at the vast stretch of fertile real estate that made us prosper.
- *People*—studies the individuals behind our system; the risk-takers who wouldn't take no for an answer.
- *Innovation*—looks at the people who dreamed up crazy inventions everybody laughed at—then bought!
- *Organization*—stresses the role played by the people who molded our economy, our markets, and our standard of living.
- *Government*—explores the role, past and present, of our largest employer, spender, borrower, lender—the federal government.

Teacher's kit from: Phillips Petroleum Company, Inc.
4-D-3 PB
Bartlesville, OK 74004

Films from: Modern Talking Picture Service
2323 New Hyde Park Road
New Hyde Park, NY 11040

Anatomy of Inflation—Examines the economic and political forces that lead to inflation and recession. Provides an insight into the relationship of government to business and the economy, the functions of the Federal Reserve System, and the effect of the various economic factors upon different people's daily lives. Color/23 minutes/1972.

Iowa Films, Audiovisual Center
Media Library
University of Iowa
Iowa City, IA 52242

The Basic Elements of Production—Presents a graphic definition of each of the four basic elements that enter into the production of goods and services. Black & white/12 minutes.

Encyclopaedia Britannica Films
1150 Wilmette Avenue
Wilmette, IL 60091

Business Money—Features Sammy the Squirrel who continues to try to meet expenses while satisfying his stockholders, customers, employees, government, and society. The film introduces financing and cash flow.

Modern Talking Picture Service

Business Money—Second film of a two-part series. It goes into detail in the areas of business, financing, and cash flow. Color/13 minutes/1974.

Sun Oil Company
1608 Walnut Street
Philadelphia, PA 19108

Business: What It's All About—Takes a look at four companies' common roles found in all business operations. In each case business is shown as a mechanism for satisfying people's needs. Color/18 minutes/1975.

Brigham Young University
Department of Audiovisual Services
290 HRCB,
Provo, UT 84602

Competition in Big Business—Defines big business in its proper perspective alongside other forms of enterprise. Color/22 minutes.

Encyclopaedia Britannica Films

Competition in Business—Explains the concepts underlying business competition and shows how competition is basic to our free enterprise system. Color/13½ minutes/1974.

Modern Film Rentals
2323 New Hyde Park Road
New Hyde Park, NY 11040

Consumer Skills: Buying on Credit—Shows what credit is, how it works, and some of the dangers involved in using it. Uses a conversation between three young men to introduce finance charges, bank loans, down payments, interest, and installment payments. Color/13 minutes/1976.

Coronet Instructional Materials
Coronet Building
654 East South Water Street
Chicago, IL 60601

Credit—Tells the story of how credit operates in its important role of stimulating business through the story of teenagers who set up a part-time photo business. Color/14 minutes/1974.

Modern Talking Picture Service,
Inc.
1411 Slocum Street
Dallas, TX 75207

OR

4500 South Wayside, Suite 101
Houston, TX 77087

Economic Understanding Program: Part I, *Inflation*—Comes with two brochures and is available on loan throughout West Texas. The program is designed to provide an opportunity to learn more about the American competitive enterprise system and the individual's role in the system. The user pays only the return postage. Color/12 minutes/16mm.

General Telephone Company of the
Southwest
P.O. Box 1001
San Angelo, TX 76902

Environmental Education: A Beginning—Presents a roundup of some representative environmental education projects now in progress in various parts of the country. Color/28 minutes/1976.

Modern Talking Picture, Service,
Inc.

Freedom 2000—Helps build an understanding for the American business system. Using cartoons, it explains the Free Enterprise System through observers from another planet passing over earth in the year 2000. Color/25 minutes/16mm.

Chamber of Commerce of the United
States
1615 H. Street, N.W.
Washington, DC 20062

Free Enterprise—Presents a realistic introduction to the problems and advantages of the free enterprise system as opposed to a government controlled business. Color/14 minutes/1974.

Brigham Young University

Free Enterprise Economics—A series of nine films:

- *America, An Economic Oasis*
- *The Anatomy of Free Enterprise*
- *How to Increase Productivity—Resources*
- *How to Increase Productivity—Methods*
- *Inflation's Everybody's Problem*
- *Profits, Capital Equipment, and Economic Programs*
- *Who Profits from Profits*
- *How to Meet and Beat Competition*
- *Competitive Prices in Action*

Republic Education Institute
3950 Kelley Avenue
Cleveland, OH 44114

Free Enterprise: It Lets You Be Somebody—Presents an animation on free enterprise and what it means to the individual. Color/8 minutes/1975.

Greater San Antonio Chamber of
Commerce
San Antonio, TX 78296

Goal To Go—Details the pollution control efforts of the American steel industry. It takes a close-up look at the various pollution control devices for both air and water. Color/28 minutes/1975.

Modern Talking Picture Service,
Inc.

If The Fergi Fits, Wear It—Demonstrates dynamic principles of free enterprise as teenagers discover the problems and profits of operating a T-shirt business. Color/22 ½ minutes/1974.

Walt Disney Educational Media
Company
800 Sonora Avenue
Glendale, CA 91201

The Impact of Technology—Explores the ingenious development of master machines and the difficulties we now face in living with the results of such genius. Depicts the development of the automobile, the airplane, and computers and portrays planning for the future. Color/26 minutes/1973.

Pictura Films Corporation
43 West 16th Street
New York, NY 10011

The Incredible Bread Machine—Explores our personal and economic freedoms. Stimulating, thought-provoking, and entertaining. Color/30 minutes/1974.

World Research, Inc.
Campus Studies Institute Division
11722 Sorrento Valley Road
San Diego, CA 92121

Inflation—Defines inflation, reveals its causes and effects, and suggests measures for its prevention. Color/21 minutes.

Encyclopaedia Britannica Films

An Investment to Protect—Invokes awareness of the environmental and economic dividends that can be realized from the efficient operation and maintenance of waste treatment plants. Color/11 minutes/1974.

Modern Talking Picture Service,
Inc.

It's Everybody's Business—An animated cartoon that shows where profits go, why competition is necessary, how to stay in business, and what goes into running a business. A special note is made to the practice of plowing back part of the profits into the business for expansion. The payment of dividends to those who have invested their savings in the business and the service provided by the taxes we pay are also outlined. Color/ 22 minutes/1975.

Chamber of Commerce of the United
States

The Kingdom of Mocha—An animated film that provides an entertaining introduction to important economic concepts including means of exchange, methods of production, scarcity of resources, economic stability, and other aspects about the operations and mechanisms of the free market system. Color/26 minutes/1975.

Modern Talking Picture Service,
Inc.

The Law of Supply and Demand—Teaches how the forces of supply and demand affect business by influencing the prices of goods and services. Color/black and white/11 minutes.

Coronet Instructional Materials

The Legend of Dan and Gus—Animated cartoon explains the difference between government-regulated public utilities and other kinds of business. Color/26 minutes.

Modern Talking Picture Services,
Inc.

Man's Material Welfare—Released by the Dow Chemical Company, film and teacher's guide explain economics through the formula: Man's Material Welfare = Natural Resources + Human Energy $\times$ Tools. The film explains how America's natural resources, human energy, and perseverance have brought unmatched progress in 200 years. Color/27 minutes. Free; order #31450.

Modern Talking Picture Service,
Inc.

Money For Sale—An animated film that demonstrates several sources for borrowing money. The Federal Truth in Lending Act is explained in detail. Color/18 minutes/1974.

Florida State University
Instructional Media Center
Division of Instructional Research
and Services
Tallahassee, FL 32306

Once Upon A Time—Emphasizes the importance of protecting economic and political freedom and shows what happens when too much government control gets into the hands of over-zealous public servants. Color/26 minutes.

Chamber of Commerce of the
United States

The One-Man Band That Went to Wall Street—Shows how to attract capital needed to finance ventures. Color/15 minutes.

Modern Talking Picture Service,
Inc.

Opinion of the Public—A documentary that shows accurately and dramatically what public relations is all about. Shows real people, real problems, and real solutions. Color/37 minutes/1973.

Brigham Young University

The People on Market Street—Series of seven films presents economic principles in everyday situations. Humor is used to motivate and stimulate learning comprehension. Color/17-24 minutes, each. Can be leased from:

Walt Disney Educational Media
Company

Principles We Live By—Explains in detail the principles of freedom, tools of work, private property, competition, costs of productivity, prosperity, individual responsibility, rule of law, rule of education, consumer as boss. Black and white/15 minutes.

National Schools Committee for
Economic Education, Inc.
P.O. Box 326
Old Greenwich, CN 06870

What Are Taxes All About?—Takes viewer on a sometimes amusing, occasionally excruciating journey through Taxland, where we learn how and why our tax money is spent. It also gives an historical coverage of taxes through the ages and explains the functions of the Internal Revenue Service. Color/25 minutes.

Carousel Films
150 Broadway
New York, NY 10036

What's The Energy Crisis All About?—Describes our rapidly vanishing resources. It points out that the United States is coming dangerously close to exhausting its known stores of fossile fuels and that the Arab oil embargo did not precipitate the energy crisis. Color/26 minutes/1977.

Carousel Films

You Decide—Helps students to learn about the daily problems of business by asking them to make important decisions. Color/28 minutes.

Modern Talking Picture Service,
Inc.

Your Credit is Good—A film about paying later. It demonstrates in a series of dramatic vignettes that the lure of extended credit can hold many hazards for the unwary consumer. Color/15 minutes/1972.

Journal Films, Inc.
930 Pitner
Evanston, IL 60202

Filmstrips and Slide Presentations

"Consumer Choice"—This teaching kit, consisting of filmstrip and cassette, worksheets, and simulation game, examines the basic economic principles that govern the consumer market system. Students are guided through the steps a company takes in developing, producing, and marketing new or improved products.

Educational Services
The Proctor & Gamble
Company
P.O. Box 599
Cincinnati, OH 45201

"Controlling the Business Cycle"—Color/40 frames.

McGraw-Hill Book Company
330 W. 54th Street
New York, NY

"The Day Business Stood Still"—This presentation shows what happens when all business stops. A man awakes to find no running water, no electricity, no telephone, no gas stations open, and his business shut down. It discusses profit, taxes on corporate business, and what happens if all business stops.

Illinois State Chamber
of Commerce
20 North Racker Dr.
Chicago, IL 60606

"Economics for Young Americans"—A four-part study kit with teacher suggestions, masters to reproduce, and worksheets for students. The four parts are "Profits at Work," "Business Means Business About Ecology," "Money Matters," and "The Promise of Productivity." Each part has a 12-minute filmstrip. The kit is available to be checked out for one week.

Chamber of Commerce of the
United States

OR

Region XX Education Service
Center
Media Center
1550 N.E. Loop 410
San Antonio, TX 78209

"Economics for Young Americans, Phase II"—This economic education package covers four important areas. The topics are: "The Business of Competition," "Why the Price?" "Check Your Paycheck," and "The Sense of Saving." These segments explain such concepts as the benefits of competition, factors in influencing pricing, deductions in a paycheck, and the process of creating capital.

Chamber of Commerce of the
United States

"Inflation, Profits, and Productivity"—A three-part, 35 mm slide presentation with sound and script.

Cinegraphics
4653 Glendale
Toledo, OH 43614

"Making Money Work"—This filmstrip describes efforts of the Federal Reserve System to ensure that our economy has the right amount of money. It takes the student from an understanding of the functions of money through the need for monetary controls and the goals and tools of monetary policy.

Federal Reserve Bank of
New York
33 Liberty Street
New York, NY 10045

"What's Right With America"—A 10-minute slide presentation that discusses inflation in the government, the cost of living adjustments, the OPEC cartel, the necessity of productivity, and unit cost output per staff hour.

Chamber of Commerce of the
United States

"You and Your Economy"—Includes filmstrip/recording, transparencies, teacher's and students' guides.

The NOW Corporation
Two Dry Ridge Place
P.O. Box 366
St. Albans, WV 25177

Games

BALPAY—this computer-assisted game simulates the United States balance of trade payments. Contributing trade factors are manipulated to present relationships. Number of participants: 2-10. Cost: individual packet, \$2.10; classroom packet, \$14.

Digital Equipment Corporation
(Huntington Computer Project)
146 Main Street
Maynard, MA 01754

Budgets and Taxes—Participants find themselves first in the role of public official, submitting budget requests for the year—then in the roles of private citizens who are affected by increases or cutbacks in services and taxes. The goal is to give the community the kinds of services and programs that people are willing to pay for with their tax dollars. Cost: \$4.95; number of participants: 2-20.

Education Ventures, Inc.
209 Court Street
Middleton, CT 06457

Competition or Control?—Game presents parts of a set of five economic simulations: (1) Competition or Subsidy? (2) Competitive Exchange Market, (3) Limited, Competitive Market, (4) Limited Market, (5) Competition or Control? Set: \$53. A teacher's manual accompanies the set.

South-Western Publishing
Company, Inc.
5101 Madison Road
Cincinnati, OH 45227

Consumer—A game on consumer buying processes. It involves players in the problems and economics of installment buying. The purpose of the game is to teach students how to calculate true interest rates, how to negotiate contracts with credit managers, and to understand the problems and economics of budgeting and buying. Decisions must be made on what, whether, and when to buy goods; whether and when to use credit. Creditors must decide to whom and under what terms to give credit. Cost: \$30. Number of participants: 11-34.

The Bobbs Merrill Co.
4300 West 62nd Street
Indianapolis, IN 46268

Ecology—This game allows players to begin the world over again. They must guide the human population through four stages of development: hunting, agricultural, industrial, and environmental. Each participant

must attempt to bring population, technology, and natural environment into a workable balance. Cost: \$10. Number of participants: 2-4.

Damon/Educational Division
80 Wilson Way
Westwood, MA 02090

Enterprise—This role-playing simulation places participants into positions as bankers, businesspersons, brokers, consumers, welfare poor, politicians, and lobbyists. These groups interact, buying and selling labor; buying and selling capital; and generally engaging in all the economic activities capitalism requires to function.

Interact
P.O. Box 262
Lakeside, CA 92040

ESSO Service Station Game—This game allots each team a service station with varying facilities. The teams then compete with each other for a greater market share of gasoline sales, car servicing, and sales of tires, batteries, and accessories. Cost: \$23.20 (plus \$1.74 postage). Number of participants: 30.

Careers Research and Advising
Center Limited
Bateman Street
Cambridge, England

FIRM—The purpose of this game is to teach the economic principles of running a firm, the fundamental relationships between assets, liabilities, revenue, costs, profits, and new worth. Teams represent store owners, and participants represent the president, operation manager, buyer, controller, assistant controller, and public accountant. They must decide at what price to sell merchandise, whether to take on additional loans, and what to do with profits. Cost: \$12 for 30 participants; teacher's guide, \$3.50.

Didactic Systems, Inc.
Box 4
Cranford, NJ 07016

Import—A simulation of the activities of six importing firms located in various ports around the world. Each firm, made up of approximately six participants, buys exports from various countries. Those firms that are able to buy products which can be sold for a profit in their own country are declared the winners. Cost: \$10. Number of participants: 18-35.

Simili II
P.O. Box 1023
1150 Silverado
LaJolla, CA 92037

The Land Use Game—This game presents the interrelationships and conflicts between humans and their natural environment. The participants must decide where to locate roads, recreation areas, forests, etc. for the purpose of meeting needs and protecting the natural environment. Cost: \$2.50; number of participants: open.

Educational Ventures, Inc.
209 Court Street
Middleton, CT 06457

Managing Your Money—A game designed to teach the principles of money, credit, and insurance. Participants select a vocation, earn a salary, and charge a fee to other participants. They save, borrow, earn dividends, and pay interest. Insurance is made available to participants to protect them against "built-in" hazards. Cost: \$2.50; number of participants: 2-6.

CUNA Mutual Insurance Society
5910 Mineral Point Road
P.O. Box 391
Madison, WI 53701

Market—The purpose of this game is to demonstrate how price is established through changing demand and supply conditions. It also illustrates the concept of diminishing returns. Participants represent buyers and must make budgeting decisions on what to consume, given a fixed budget. Cost: \$12 for 30 participants; teacher's guide, \$3.50.

Didactic Systems, Inc.

Micro-Economy—This simulation allows participants to obtain jobs, purchase land, create and use goods and services, and allocate scarce resources. The result of the game is a society in which each participant has had an input. Cost: \$39; number of participants: 10-30.

Harcourt Brace Jovanovich, Inc.
757 Third Avenue
New York, NY 10017

Mr. Banker—This simulation acquaints participants with the money and credit system of our nation and how the system affects and is affected by changes in economic conditions. It develops understanding of the role of the Federal Reserve System in controlling the money and the cost and availability of credit. Cost: \$15; number of participants: 6-30.

Federal Reserve Bank
of Minneapolis
250 Marquette Avenue
Minneapolis, MN 55480

New City Telephone Co.—This simulation provides students practice in group discussion and decision making, goal setting, listening, and note taking. By actively participating in the decision-making process and living with the consequences, students frequently discover that most decisions are more complicated than they appear.

The program consists of a teacher's manual, recorded cassettes, and student's manual. Teams are presented with four different management problems. Each problem requires the team to make a decision; each decision increases or decreases the team's chance of meeting the goals it chose. Cost: free; number of participants: most any class size.

The local Southwestern Bell
Telephone Co.

New Steel Site—But Where?—A role-playing simulation in which all community members make decisions as to where the new steel plant should be located. Number of Participants: 4-6.

Community Service Volunteers
237 Pentonville Road
London NI 9 NJ, England

The Planet Management Game—The Planet Management Game puts participants in control of an imaginary planet with a population explosion and a pollution problem. A "cardboard computer" aids decision making. Cost: \$12.75; number of participants: 4-6.

Houghton Mifflin Company
110 Tremont Street
Boston, MA 02107

Pollution—This exercise, built around a series of negotiation sessions, orients participants to the increasing emphasis being placed on the environment and quality of life. The game allows participants to experiment trade-offs between personal/corporate goal satisfaction and environmental quality. The game is designed for learners having little or no experience in the area. Cost: \$22.50; number of participants: 4-32.

Simulation System Program
P.O. Box 1028
Corvallis, OR 97330

Pollution Game—The pollution game involves participants in today's ecological crises. As they try to improve environmental quality, players find the profit motive complicates their efforts. Cost: \$9.50; number of participants: 4-6.

Houghton Mifflin Company

The Redwood Controversy—The Redwood Controversy has participants debate proposals for a Redwood National Park. The ecological and financial aspects of conservation efforts are brought out. Cost: \$7.95; number of participants: 4-6.

Houghton Mifflin Company

Books

Economic Report of the President—an annual report transmitted to Congress.

Superintendent of Documents
Government Printing Office
Washington, DC 20402

Foundations of Education for Business—the 1975 yearbook provides an examination of economic-related, business-related, social-related, and education-related foundations.

National Business Education
Association
1906 Association Drive
Reston, VA 22091

International Economic Report of the President—an annual report developed by the Council on Economic Policies.

Superintendent of Documents

Booklets

"Alternatives"—Single copies free.

Free Enterprise Institute
Amway Corporation
7575 East Fulton Road
Adam, MI 49355

"The American Economic System . . . And Your Part In It"—A booklet using "Peanuts" characters to present a basic overview of the American economy and what each individual's role is in the system. Single copy free.

ECONOMICS
Pueblo, CO 81009

American Enterprise, "Teaching Notes"—Suggests a variety of activities on many different topics related to free enterprise. Free.

Playback Associates
708 3rd Avenue
New York, NY 10017

"Automation"—How automation affects the economy. Free.

Federal Reserve Bank of
Minneapolis
73 South 5th Street
Minneapolis, MN 55440

"The Balance of Payments"—Shows monetary receipts and payments. Free.

Federal Reserve Bank of
Minneapolis

"Basic Concepts in Business Education"—Presents four basic models for economics that can often be applied to business decision making. Bulletin No. 206. 1976.

University of the State of New York
State Education Department
Bureau of Business Education
Albany, NY 12230

"Business and the Public Interest"

Joint Council on Economic
Education
1212 Avenue of the Americas
New York, NY 10036

"Business Ups and Downs"—Tells what causes changes in business, how a change can be predicted, how we can get a low unemployment rate with a growing work force, how great recessions and booms can be prevented. Single copies free.

Chamber of Commerce of the
United States

"Commerce"—Talks about world trade, business, patents, and trademarks. Free.

U.S. Government Printing Office
Division of Public Documents
Washington, DC 20402

"The \$ and ¢ of Running a Business"—A 15-page booklet produced by Reddy Communications, Inc. that covers the basic points of the American free enterprise.

Texas Electric Service Company
P.O. Box 970
Fort Worth, TX 76101

"Does It Make Sense for Me to Buy Stocks?"—Answers questions that are often asked by potential investors. Single copies free.

New York Stock Exchange
Dept. BK, Publications
Information—Press
11 Wall Street
New York, NY 10005

"Economic Cases for Discussion"

Delta Pi Epsilon
Gustavus Adolphus College
St. Peter, MN 56082

"A Framework for Teaching Economics: Part I, Basic Concepts"; Part II, "Strategies for Teaching Economics: Basic Business and Consumer Education." Secondary level.

Joint Council on Economic
Education

"Free Enterprise"—An eight-page pamphlet that defines free enterprise and traces its roots from Adam Smith's *Wealth of Nations*. It describes how the system functions in America and outlines the basic premises of other economic systems.

Attimedia, Inc.
P.O. Box 8042
Dallas, TX 75205

"GATT—What It Is, What It Does, How It Works"—Gives brief background on the General Agreement on Tariffs and Trade. Free.

Committee for a National Trade
Policy, Inc.
1028 Connecticut Avenue, N.W.
Washington, DC 20036

"The Government's Role"—A case study.

Newsweek
Educational Division
444 Madison Avenue
New York, NY 10022

"Gross National Product: The Flow of Income and Expenditures in the United States"—Explains the flow chart of GNP.

The Twentieth Century Fund
41 East 70 Street
New York, NY 10021

"Industry's Profits"—Shows the role of profits in industry and in the economy.

National Association of
Manufacturers
277 Park Avenue
New York, NY 10017

"It's Your Credit—Manage It Wisely"

Household Finance Corporation
Money Management Institute
Prudential Plaza
Chicago, IL 60601

"Market for Millions"—Gives an account of the role and functions of a stock exchange as related to national economy. Single copy free.

American Stock Exchange
Publications Department Information
Service Dept.
86 Trinity Place
New York, NY 10005

"Materials for Teaching Economic Principles"

National Schools Committee for
Economic Education, Inc.
P.O. Box 326
Old Greenwich, CT 06870

"Money and Finance"—Explains in easy to understand terms the meaning and use of money in a competitive market. Single copy free.

Chamber of Commerce of the
United States

"Profits—Something for Everyone"—Explains the functions of profits and discusses why profits are beneficial to everyone. Single copies free.

Chamber of Commerce of the
United States

"The Tariff Idea"—Gives a logical argument against protectionism and a positive presentation for free trade.

The Foundation for Economic
Education, Inc.
30 South Broadway
Irvington-on-Broadway, NY 10533

"Taxation of Company Profits and Dividends"

United States Council of the Inter-
national Chamber of Commerce,
Inc.
1212 Avenue of the Americas
New York, NY 10010

"Teaching How to Use Truth in Lending"

Federal Trade Commission
Pennsylvania Ave., N.W.
Washington, DC 60601

"Newsletter to Educators"—A newsletter devoted primarily to consumer education. It contains numerous field-tested teaching strategies. To be placed on the mailing list, notify:

Director of Education
New York Stock Exchange, Inc.
11 Wall Street
New York, NY 10005

"Our Economic System"—A booklet containing essays and teacher's guides on American free enterprise. It is particularly beneficial to instructors of free enterprise.

Director of Civic Affairs
Sears, Roebuck, and Company
1000 Belleview
Dallas, TX 75295

"The Profit Motive and the Public Interest"

The Procter and Gamble Company
301 E. Sixth Street
Cincinnati, OH 45202

"The Search for Economic Security"—1974.

Education Services
Institute of Life Insurance
277 Park Avenue
New York, NY 10017

"Using Our Credit Intelligently"

National Foundation for Consumer
Credit
1819 H Street, N.W.
Washington, DC 20006

"The Worst Crime Against Working People Is A Company That Fails to Make A Profit"—This pamphlet explains what profits are, how profits relate to American free enterprise, and dispells common misunderstandings and false notions concerning profits.

Southern Union Gas Company
Public Information Department
First International Bldg.
Dallas, TX 75270

"You and the Investment World"—Describes how stocks and bonds are bought and sold, gives functions of corporations and the New York Stock Exchange, and discusses how economic growth is promoted by investments. Single copy free.

New York Stock Exchange

"Your American Heritage: The Power of Choice"—A booklet that explains the history and principles of the American free enterprise system. Four divisions are: Effective Limited Government, The Private Enterprise Economic System, Free Competitive Markets, and Individual Incentive and Initiative.

Chamber of Commerce of the
United States

Texas Education Agency Publications

"Business and Office Curriculum Framework," CU7 832 01.

"Consumer Credit Education for Texans," Part I, Economic Aspects;
Part II, Legal Aspects, Publication 683.

Texas Education Agency
Publications Distribution
201 East 11th
Austin, TX 78701

Business Periodicals

Business Week
McGraw-Hill Book Company
1221 Avenue of the Americas
New York, NY 10036

Changing Times
Kiplinger Service
1729 H Street, N.W.
Washington, DC 20006

Consumer Reports
Consumers Union
256 Washington Street
Mount Vernon, NY 10550

Federal Reserve Bulletin
Board of Governors of Federal
Reserve System
Washington, DC 20551

Free Enterprise
1212 Avenue of the Americas
New York, NY 10011

Forbes
Forbes, Inc.
60 Fifth Avenue
New York, NY 10011

Foreign Trade Newsletter
Oceana Publications, Inc.
Dobbs Ferry, NY 10522

Fortune
Time, Inc.
Time & Life Building
Rockefeller Center
New York, NY 10020

The Kiplinger Letter
The Kiplinger Washington Editors, Inc.
1729 H Street, N.W.
Washington, DC 20006

Nation's Business
Chamber of Commerce of the United States
1615 H Street, N.W.
Washington, DC 20006

Survey of Current Business
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COMPLIANCE STATEMENT

TITLE VI, CIVIL RIGHTS ACT OF 1964; THE MODIFIED COURT ORDER, CIVIL ACTION 5281, FEDERAL DISTRICT COURT, EASTERN DISTRICT OF TEXAS, TYLER DIVISION

Reviews of local education agencies pertaining to compliance with Title VI Civil Rights Act of 1964 and with specific requirements of the Modified Court Order, Civil Action No. 5281, Federal District Court, Eastern District of Texas, Tyler Division are conducted periodically by staff representatives of the Texas Education Agency. These reviews cover at least the following policies and practices:

- (1) acceptance policies on student transfers from other school districts;
- (2) operation of school bus routes or runs on a non-segregated basis;
- (3) nondiscrimination in extracurricular activities and the use of school facilities;
- (4) nondiscriminatory practices in the hiring, assigning, promoting, paying, demoting, reassigning, or dismissing of faculty and staff members who work with children;
- (5) enrollment and assignment of students without discrimination on the basis of race, color, or national origin;
- (6) nondiscriminatory practices relating to the use of a student's first language; and
- (7) evidence of published procedures for hearing complaints and grievances.

In addition to conducting reviews, the Texas Education Agency staff representatives check complaints of discrimination made by a citizen or citizens residing in a school district where it is alleged discriminatory practices have occurred or are occurring.

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Where a violation of Title VI of the Civil Rights Act is found, the findings are reported to the Office for Civil Rights, Department of Health, Education and Welfare.

If there is a direct violation of the Court Order in Civil Action No. 5281 that cannot be cleared through negotiation, the sanctions required by the Court Order are applied.

TITLE VII, CIVIL RIGHTS ACT OF 1964; EXECUTIVE ORDERS 11246 AND 11375; TITLE IX, 1973 EDUCATION AMENDMENTS; REHABILITATION ACT OF 1973 AS AMENDED; 1974 AMENDMENTS TO THE WAGE-HOUR LAW EXPANDING THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967; AND VIETNAM ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1972 AS AMENDED IN 1974.

It is the policy of the Texas Education Agency to comply fully with the nondiscrimination provisions of all federal and state laws and regulations by assuring that no person shall be excluded from consideration for recruitment, selection, appointment, training, promotion, retention, or any other personnel action, or be denied any benefits or participation in any programs or activities which it operates on the grounds of race, religion, color, national origin, sex, handicap, age, or veteran status (except where age, sex, or handicap constitute a bona fide occupational qualification necessary to proper and efficient administration). The Texas Education Agency makes positive efforts to employ and advance in employment all protected groups.